

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|------------------|
| NOTICE OF GAS COST ADJUSTMENT |) | |
| FILING OF JOHNSON COUNTY GAS |) | CASE NO. 10415-I |
| COMPANY, INC. |) | |

O R D E R

On April 24, 1991, the Commission issued its Order in Case No. 91-004 approving adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On February 28, 1992, Johnson County filed its quarterly GCA, which is to become effective April 1, 1992 and is to remain in effect until July 1, 1992. On March 5, 1992, Johnson County filed to further adjust its rates based on a decrease in rates from Kentucky West Virginia Gas Company.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County's notice of February 28, 1992, as revised by its March 5, 1992 filing, set out certain revisions in rates which Johnson County proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers. Johnson County did not correctly calculate its line loss adjusted purchased volumes. Johnson

County's corrected expected gas cost for the quarter beginning April 1, 1992 is \$2.3206 per Mcf, a decrease of \$1.1465 per Mcf.

2. Johnson County's notice set out no refund adjustment.

3. Johnson County proposed an actual adjustment ("AA") in the amount of 20.2 cents per Mcf to compensate for under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of October, November and December 1991. Johnson County's total AA of 11.62 cents per Mcf is designed to correct the current under-recovery as well as an over-recovery from a previous quarter.

4. Johnson County's notice set out no balance adjustment. This adjustment will be unavailable to Johnson County until an approved actual adjustment has been in effect for 4 quarters.

5. The combined effect of the above adjustments is Johnson County's corrected gas cost recovery rate ("GCR") in the amount of \$2.4368 per Mcf, which is a decrease of 94.45 cents per Mcf from its last approved rates.

6. Johnson County's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-004 dated April 24, 1991, is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1992.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Johnson County are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are

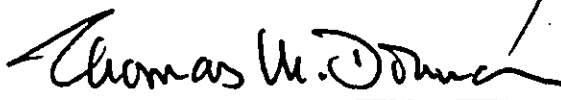
approved effective with service rendered on and after April 1, 1992.

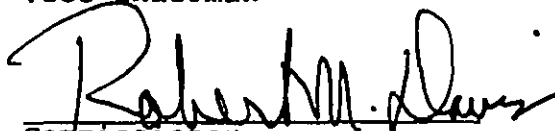
3. Within 30 days of the date of this Order, Johnson County shall file with this Commission is revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 2nd day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10415-I DATED 4/2/92

The following rates and charges are prescribed for the customers served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Surcharge</u> | <u>Total</u> |
|-----------------|------------------|---------------------------------------|------------------|--------------|
| Customer Charge | | | | \$3.00 |
| All Mcf | \$2.9871 | \$2.4368 | \$2.5159 | \$7.9398 |

A surcharge of \$.4155 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.